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Title: Shri Basudeb Acharia called the attention of the Minister of Finance to the situation arising out of Non-implementation of wage revision of Industrial Development Bank of India Employees and steps taken by the Government in this regard.

SHRI BASU DEB ACHARIA (BANKURA): Madam Speaker, I call the attention of the Minister of Finance to the following matter of urgent public importance and request that he may make a statement thereon:-

> "Situation arising out of non-implementation of wage revision of Industrial Development Bank of India Employees and Steps taken by the Government in this regard."

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): In terms of the scheme of amalgamation, erstwhile IDBI Bank Ltd. was amalgamated with Industrial Development Bank of India Ltd. with effect from 2nd April 2005. United Western Bank was amalgamated with IDBI Ltd. with effect from 3rd October, 2006. The name was changed to IDBI Bank Ltd. with effect from 7th May 2008.

MADAM SPEAKER: Mr. Minister, if you want, you can lay the Statement on the Table of the House.

SHRI PRANAB MUKHERJEE: If the Member has read the Statement, then I need not do so, he can put the question straightaway. I have no problem.

*A Memorandum of Settlement was signed between the IDBI Ltd. and the All India IDBI Employees Association on 17th March 2006 for a period of 5 years, beginning 1st November 2002. This was modified vide the Supplementary Memorandum of Settlement signed between the IDBI Ltd. and the All India IDBI Employees Association on 20th January 2007. This *inter alia* stated that:

> "We further agree that upon expiry of the settlement for the said period, all pay and allowances would be negotiated and mutually agreed upon between the bank and its employees having regard to the well accepted principles of wage fixation".

Prior to its merger with IDBI Ltd., the terms & conditions of service of workmen employees of erstwhile United Western Bank were similar to the bipartite settlements signed under the aegis of Indian Banks Association and applicable to Public Sector Banks. As per the scheme of amalgamation, the employees of erstwhile United Western Bank were to be granted the same compensation and the same terms and conditions of service as were applicable to the employees of IDBI Ltd. within a period of 3 years.

Indian Banks' Association in November, 2007, sought IDBI Ltd.'s mandate to negotiate with the industry-wide officers and workmen Unions on behalf of IDBI Ltd. with regard to the proposed revision in pay & allowances that would be effective from 1st November, 2007. However, in view of the different compensation packages existing in the three merged entities before the merger, IDBI Ltd. did not give its mandate to Indian Banks' Association and decided to develop its own compensation package.

While developing the compensation package, management of IDBI Bank Ltd. invited the All India IDBI Employees Association for consultations on 16th April 2009 when copies of the proposed pay scales and terms and conditions of service were handed over to them. Another meeting with the All India IDBI Employees Association was convened on 13th May 2009. However, All India IDBI Employees Association, vide letter dated 12th May 2009, sought a mutually convenient date for discussion. Another round of consultations was scheduled on 2nd June 2009, but the All India IDBI Employees Association did not participate.

Board of Directors of the IDBI Bank Ltd., in its meeting held on 23rd May 2009 approved the compensation package for its employees. This package has been implemented for officers in January 2010 for the period from November 2007 to October 2012. However, in the case of workmen employees, the wage revision settlement, for a similar period, could not be finalized as All India IDBI Employees Association did not agree to the package offered and were demanding parity with RBI.

In order to resolve the matter amicably, the management of IDBI Bank Ltd. set up a Committee of three Executive Directors to hold consultations with the All India IDBI Employees Association on its revised proposal. Besides a series of informal consultations, a meeting was also held on 26th August 2011 when the revised proposal was presented. However, no agreement

on the proposed compensation package could be reached.

All India IDBI Employees Association, during these consultations, continued demanding parity with the Reserve Bank of India in pay and allowances. They were also opposed to negotiations with IDBI Karamchari Sangh, representing mostly the employees of the erstwhile United Western Bank. IDBI Karamchari Sangh, on the other hand, were insisting that they being the majority association, negotiations should be held with them. On the WP No. 3699 filed by the IDBI Karamchari Sangh, the Hon'ble High Court of Bombay, vide order dated 18th August 2011, directed the Deputy Labour Commissioner to verify the membership of the petitioner union.

After conversion of IDBI Ltd into a Banking company in October 2004, IDBI Bank Ltd. is categorised as other Public Sector Bank. In terms of the Memorandum of Settlement signed between the IDBI Bank Ltd. and the All India IDBI Employees Association on 20th January 2007, subsequent settlement for pay and allowances were to be based on the well accepted principles of wage fixation and were no longer linked with the RBI. Since settlement under the aegis of the Indian Bank's Association, adopted in the nationalised banks, do not have parity with the pay scales in the RBI, any demand for such parity in the IDBI Bank Ltd., which is a public sector bank, is unjustified and, hence, not acceptable.

In order to expedite the conclusion of settlement, management of IDBI Bank Ltd., in November, 2011, and again in December 2011, advised the All India IDBI Employees Association that it was open to bilateral discussions and sought their cooperation in finalizing the compensation package.

A bi-partite settlement for the period of 5 years with effect from 1st November 2007 was signed between IDBI Bank Ltd. and the All India IDBI Employees Association on February 22, 2012. As per the agreement, the bi-partite settlement shall after approval of the Board of Directors of IDBI Bank Ltd. or directions, if any, from Government, be released for implementation. Board of Directors of IDBI Bank Ltd. approved the bi-partite settlement at its meeting held on March 2, 2012. The IDBI Bank Ltd. has sent the settlement to the Government for approval.

While a bi-partite settlement has been signed by the IDBI Bank Ltd. with the All India IDBI Employees Association, IDBI Karamchari Sangh has, so far, not agreed with this settlement. The Government will take a decision on the proposed settlement taking *inter alia* its implications on the nationalised banks into consideration.

SHRI BASU DEB ACHARIA: Madam, it is quite strange that whenever the question of wage revision of employees of Industrial Development Bank of India comes, we have to raise it in the form of Calling Attention. After a debate and discussion in the House in the form of Calling Attention, the wage settlement is finalized. This happened in the case of the sixth bi-partite wage settlement.

The question was raised in this House on 19th December 2006 and what was stated in reply to my question by the Finance Minister of that period was that a settlement of pay and allowances will be negotiated and mutually agreed upon between the Bank and the Association having regard to well accepted principles of wage fixation. Then, the sixth bi-partite wage settlement was finalized and agreement was signed. The same thing was repeated in the wage settlement also.

IDBI was a part of RBI. Up to the sixth bi-partite wage settlement, the wage of employees of IDBI was determined as per Reserve Bank of India employees wage revision. Their wages and allowances were at par with RBI employees. That was why they have been demanding as to why the parity which was there up to the sixth bi-partite settlement should be disturbed. Moreover, when IDBI Repeal Bill was brought before the House in 2002, an assurance was given because I moved an amendment and my amendment was to be adopted. I got one vote more in support of my amendment. But, by some manipulation, it was tied at 39 and 39. Then I was requested by the Deputy-Speaker who was in the Chair to withdraw my amendment; otherwise he would exercise his casting vote.

Then, my amendment would be defeated. Then, an assurance was given by the Finance Minister. What was his assurance in regard to Section 5(1) of IDBI (Repeal) Act? It was that its Development Finance Institution character, even after corporatisation, will be retained. It was the first assurance. The second assurance was in regard to employees that after conversion of IDBI Limited into a banking company in 2004, the IDBI Bank would be categorised as a public sector bank, but the employees would continue to enjoy the same terms and conditions of service. So, I would request the hon. Finance Minister to go through the proceedings of the House and the solemn assurance given by the then Finance Minister. What is happening in IDBI today? There is an attempt to change their service conditions. I would like to know from the Finance Minister whether the terms and conditions of service include wage and allowances also.

I am not against negotiated settlement. In this House, the then Finance Minister, Shri P. Chidambaram, had categorically

said that he was in favour of negotiated settlement. He had also said that the revision of wages or increase in the wages would not be done automatically when the revision of wages of RBI employees took place, but it would be done through negotiations. Negotiations were done and a settlement was reached at, though it took more than one year.

The 7th Wage Settlement is due from October, 2007. Already more than four years have elapsed. Now the next wage settlement will come soon in October, 2012 because one wage settlement is for five years. On 22nd February, an agreement was signed between the management and the representatives of All India IDBI Association and both agreed to some terms and conditions, and wage settlement. Up to 6th Bipartite Wage Settlement, in the case of workmen, the approval of the Government for the implementation of wage settlement was not required in the past. Then, why is it required in the case of 7th Wage Settlement when it was agreed to between and signed by the Management as well as union and also approved by the IDBI Board on 2nd March, 2012? Is there any requirement of approval from the Government? So far, up to 6th Bipartite Wage Settlement, the approval of the Government to the proposal of wage revision, which was settled and agreed, was not required.

13.00 hrs.

Madam, the increase in case of officers / executives was to the extent of 23 per cent and not 20 per cent as was done for the commercial banks. In case of officers of IDBI, the increase was 23 per cent, which was more than the RBI officers.

MADAM SPEAKER: Mr. Basu Deb Acharia, please conclude now.

SHRI BASU DEB ACHARIA: The implementation of wage revision was started even before the approval, and from January 2010 the wage revision of the officers has been implemented. But why the workmen, namely, the workers and the employees, had to wait for so many years? Why did they have to wait for almost three months after the negotiated settlement and even after the approval by the Board?

The wage revision for the employees of all the financial institutions and banks, namely, commercial banks; public sector banks; NABARD; RBI; SIDBI had been revised and also implemented long back in 2010. Why is there this discrimination against the employees of IDBI? Why are they being discriminated?

MADAM SPEAKER: Mr. Basu Deb Acharia, please conclude now.

SHRI BASU DEB ACHARIA: The Finance Minister at the end of his statement has stated that :

> "While a bi-partite settlement has been signed by the IDBI Bank Ltd. with the All India IDBI Employees Association, IDBI Karamchari Sangh has, so far, not agreed with this settlement. The Government will take a decision on the proposed settlement taking *inter-alia* its implications on the nationalised banks into consideration."

MADAM SPEAKER: Mr. Basu Deb Acharia, please conclude now.

SHRI BASU DEB ACHARIA: Madam, I am coming to the conclusion.

There are two parts here. One is a private bank was amalgamated with IDBI in 2008, and they have separate union. Now, after the merger, those employees have also become the employees of IDBI. But on the date of settlement of wage negotiations and on the date of signing of the agreement, the IDBI Employees Association was in majority. Where is the hurdle when the Management arrived at, agreed and settled the wage revision? Why hurdles are being created? Here, implication on the nationalized banks was never stated because he has very categorically stated in his statement that :

> "We further agree that upon expiry of the settlement for the said period, all pay and allowances would be negotiated and mutually agreed upon between the bank and its employees having regard to the well accepted principles of wage fixation."

MADAM SPEAKER: Mr. Basu Deb Acharia, please conclude now. Your time is up.

SHRI BASU DEB ACHARIA : This implication was not thought of when the wage of the officers was revised. But why this question is being raised when the question of implementation of their wage revision is there, which was settled through negotiations and signed by both the Management and Association and approved by the IDBI Board? Is this being done in order to put more hurdles and in order to delay it? Already there has been undue delay of almost three months, and the period of the Seventh Bipartite Wage Settlement will expire after four or five months. If approval is required, then please give approval so that implementation of wage revision is done without further delay.

MADAM SPEAKER: You have asked your question, please conclude now.

SHRI BASU DEB ACHARIA : I would like to know from the hon. Finance Minister by when the wage revision of employees of IDBI will be implemented and the discrimination being meted out to the employees of the IDBI will be ended. I demand a categorical assurance from the Finance Minister. ...(*Interruptions*)

श्री शैलेन्द्र कुमार (कौशाम्बी): अध्यक्ष महोदया, हमने नोटिस दिया था कि भारतीय औद्योगिक बैंक...(व्यवधान)

अध्यक्ष महोदया : ध्यानाकर्षण में यह कहां से आ गया। आप नियम जानते हैं। आप तीन बार सदस्य रह चुके हैं। आपको सारे नियम कंठस्थ हैं।

â€¦(व्यवधान)

श्री शैलेन्द्र कुमार: मैं अपने को इससे संबद्ध करता हूं कि...(व्यवधान)

अध्यक्ष महोदया : नहीं, इसमें सम्बद्ध नहीं किया जाता।

â€¦(व्यवधान)

श्री प्रणब मुखर्जी: आप एसोसिएट कीजिए।...(व्यवधान)

8SHRI PRABODH PANDA (MIDNAPORE): Madam, I associate myself with Shri Basu Deb Acharia on this matter. ...(*Interruptions*)

SHRI PRANAB MUKHERJEE: Over the years, through mergers and through change of its role, this institution has assumed some sort of complexity. IDBI was a developmental financial institution. It was separated from RBI by an Act of 1964. Till 2004, it continued to play the role of the developmental institution and not that of the commercial bank. To do certain commercial banking activities, it created a subsidiary, which was wholly officers-oriented, in 1994. In 2004, IDBI was converted into a commercial bank. Therefore, from 1964 to 2004, in all these 40 years in between, there have been certain changes. After it was converted into a commercial bank, then the subsidiary of the IDBI Bank was also merged with the IDBI. Another bank, United Western Bank, also got merged with IDBI. Therefore, IDBI now contains three constituents. It has merged, but it has three constituents – one is the original IDBI, which was separated from the Reserve Bank of India in 1964; then IDBI Bank subsidiary and thereafter that Western Bank which got merged. Now, it is known as IDBI Bank Limited.

I would have no problem if the Employees' Associations would have agreed to give the mandate to the IBA (Indian Banks' Association) which negotiates on behalf of all the public sector banks. The hon. Member, who is a Trade Unionist, is fully aware of it that wage negotiations between the banks and the IBA take some time, but we have developed over the years a pattern through which smooth negotiations take place. And IBA on behalf of all the Public Sector Banks, they moved it. The IBA sought the mandate, that as I am negotiating with, on behalf of all other Scheduled Commercial Banks which are nationalised Public Sector Banks, 'would you give the mandate to negotiate on your behalf'? They did not agree. That is why, one problem came that when all Public Sector Banks settlement took place, this bank could not settle.

The second issue is that the Industrial Development Bank Employees Association were requested to make negotiations several times. I have the list. In June 2009, association submitted a demand for parity with RBI for 2007-12 period. In January, 2010, package for officers was approved and implemented. It is true that they have accepted and implemented.

In August, 2010, association was invited for meeting to negotiate for the harmonised package and they refused seeking RBI parity. In November, 2010 once again association invited for a meeting to negotiate the harmonized package.

Again they refused seeking RBI parity. In August, 2011, bank reworked toward workmen package and invited for discussion.

In November, 2011, package was further reworked based on negotiations but not accepted by the Association. In December, 2011, package once again reworked but association still did not agree and insisted on having parity with RBI. On 15th December, 2011 as hon. Member mentioned, calling attention issue was discussed. In January, 2012, the package was reworked once again and offered without linkage to RBI parity. Now, that package has been agreed in February, 2012. I would have no problem to implement it immediately. But in between, there is another union namely Karamchari Sangh. I am not going into the disputes because this is a matter of Mumbai High Court. The Mumbai High Court is looking into it. As per the order of the Mumbai High Court, the Labour Commissioner is looking into it. But as per the figures which I have, they have about 2400 employees. I think the total employees are about 2400 and of that, Karamchari Sangh is having 1271 and the Employees Association is having about 1139. But that is a matter which the Labour Commissioner will deal with it. I am not going into it. But the fact of the matter is that Karamchari Sangh have refused to agree to this package which has been agreed upon after a good deal of negotiations with the IDBI Banks Employees' Association.

13.13 hrs (Dr. M. Thambidurai *in the Chair*)

So, it has received the approval of their board. Now, they have sought the approval of the Government. Hon. Member is fully aware of this. Though IBA negotiates on behalf of all the Public Sector Banks and we do never interfere with the negotiations rather I encourage them to have the peaceful settlement. During the last negotiation, I told them that even if they want little bit more, then I asked them to negotiate. I do not mind if you give them and have the settlement. And they settled. But finally they have to get the approval of the Government. Therefore, we gave that approval and we do not mind that. Here also, there would have been no problem of according it in March. Today we are talking of the May. Hon Member has also discussed this issue with me and I can assure him that not during the remaining period of the Parliament. It would not be possible for me but as soon as the Parliament Session is over, I will call the IDBI Chairman and I will also call the other relevant concerns and I will try to attempt an agreed solution where the package will be acceptable to all both the Employees Association and Karamchari Sangh. I will try to work out that and resolve the issue.

SHRI BASU DEB ACHARIA (BANKURA): By the end of this month.

SHRI PRANAB MUKHERJEE: After this Parliament Session is over I will try to do that. I cannot just give you a date - because if it takes more than one meeting, I cannot say that by the end of this month I will be able to do that - but as soon as possible.

(Placed in Library, See No. LT 6931/15/12)